

Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 EC BRU 07183 111311Z

43

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 EB-11 COME-00 TRSE-00 FRB-02 XMB-07

SCEM-02 INT-08 STR-08 DRC-01 /175 W

----- 096074

R 111225Z DEC 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6140

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION NATO

USMISSION OECD PARIS UNN

C O N F I D E N T I A L EC BRUSSELS 7183

E.O. 11652: GDS

TAGS: ENRG, EEC

SUBJECT: MEETING WITH EC COMMISSION VICE PRESIDENT SIMONET
ON THE OIL SITUATION

1. SUMMARY. THIS MESSAGE SUPPLEMENTS AND UPDATES THE INFORMATION IN SEPTEL CONCERNING THE COMMISSION'S CONCERN OVER THE OIL SITUATION IN THE COMMUNITY. AT A MEETING WITH UNDER SECRETARY DONALDSON, SIMONET OUTLINED THE COMMISSION'S PROPOSALS TO DEAL WITH THE OIL SITUATION. THESE PROPOSALS WILL BE SENT TO THE MEMBER STATES FOR CONSIDERATION AT THE DECEMBER 14-15 SUMMIT MEETING. END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 07183 111311Z

2. AT A BREAKFAST MEETING WITH UNDER SECRETARY DONALDSON

ON DECEMBER 11 (ALSO ATTENDED BY AMBASSADOR GREENWALD AND DEPUTY ASSISTANT SECRETARY KATZ), EC COMMISSION VICE PRESIDENT SIMONET DESCRIBED THE REASONS WHY, EVEN BEFORE THE MIDDLE EAST WAR, THERE HAD BEEN NO ACTION BY THE EC COUNCIL ON THE COMMISSION PROPOSALS FOR A COMMON ENERGY POLICY PUT FORWARD PURSUANT TO THE OCTOBER 1972 SUMMIT DECLARATION. AS A RESULT OF THE MIDDLE EAST WAR AND THE SUBSEQUENT RESTRICTIONS ON PETROLEUM PRODUCTION BY THE ARABS, THE SITUATION HAD BECOME MUCH MORE ACUTE AND, IN SIMONET'S VIEW, THREATENED THE SURVIVAL OF THE VRPLUNITY. AT A DISCUSSION OF THE ENERGY PROBLEM BY THE COMMISSION AS A WHOLE YESTERDAY, IT HAD BEEN AGREED TO SEND A LETTER TO THE MEMBER STATES ON THIS MATTER FOR CONSIDERATION AT THE SUMMIT MEETING TO BE HELD ON DECEMBER 14-15 IN COPENHAGEN. THIS INITIATIVE BY THE COMMISSION WAS STRONGLY SUPPORTED BY PRESIDENT ORTOLI, WHOSE EVOLUTION AS A COMMUNITY SUPPORTER SIMONET NOTED AS INTERESTING.

3. ACCORDING TO SIMONET, THE DUTCH AND GERMANS WILL INSIST ON SOME SATISFACTORY OUTCOME ON ENERGY WHICH DEMONSTRATES "COMMUNITY SOLIDARITY." HE BELIEVES THAT IF THE SUMMIT ONLY COMES OUT WITH A GENERAL INSTRUCTION FOR THE COUNCIL OF MINISTERS TO TAKE UP THE ENERGY QUESTION AGAIN, THIS WILL NOT BE ENOUGH AND THE DUTCH WILL TAKE UP THE AMERICAN OFFER OF ASSISTANCE, PROBABLY FOLLOWED BY BELGIAN AND GERMAN REQUESTS FOR SIMILAR ASSISTANCE. SUCH AN OUTCOME WOULD, IN THE VIEW OF THE COMMISSION, SET BACK SERIOUSLY THE MOVEMENT TOWARD EUROPEAN UNION. IN ADDITION, THE PRESENT ACTIONS ON A NATIONAL BASIS BY MEMBER STATES WERE IN VIOLATION OF THE TREATY OF ROME AND, IF NO COMMON POLICY IS DEVELOPED, THE VERY BASIS OF THE COMMON MARKET WILL BE UNDERMINED. FACING THIS PROSPECT, THE COMMISSION HAS DECIDED TO RECOMMEND A POLITICAL DISCUSSION OF THE ENERGY PROBLEM AT THE SUMMIT AND TO ASK FOR APPROVAL OF CERTAIN PRINCIPLES AS THE BASIS FOR A COMMON ENERGY POLICY. THE SUMMIT RESOLUTION WOULD NOT NEED TO GO INTO ALL THE DETAILS, BUT IT MUST BE MORE THAN JUST A GENERAL REITERATION OF THE DESIRABILITY OF A COMMON ENERGY POLICY.

4. SIMONET OUTLINED THE CONTENT OF THE COMMISSION'S
CONFIDENTIAL
CONFIDENTIAL

PAGE 03 EC BRU 07183 111311Z

PROPOSALS AS FOLLOWS:

A) THE COMMISSION MUST BE EMPOWERED TO OBTAIN INFORMATION ABOUT THE MOVEMENT OF OIL FROM BOTH THE MEMBER GOVERNMENTS AND THE OIL COMPANIES. AT PRESENT SUCH NECESSARY INFORMATION IS NOT AVAILABLE.

B) THE MEMBER STATES WOULD BE PERMITTED TO APPLY EXPORT CONTROLS WITHIN THE COMMUNITY ONLY AFTER APPROVAL FROM THE COMMISSION.

C) A SHARING ARRANGEMENT SHOULD BE WORKED OUT ON A COMMUNITY BASIS AND THEN COORDINATED WITH A WIDER PROGRAM WITHIN OECD.

D) THE PRESENT NATIONAL CONSERVATION MEASURES SHOULD BE TRANSFORMED INTO A COMMUNITY PROGRAM.

E) THERE SHOULD BE HARMONIZATION OF PRICE CONTROL ACTIONS ON A COMMUNITY BASIS.

5. IN DISCUSSING THE PROSPECTS FOR SUMMIT ACTION ALONG THESE LINES, SIMONET EXPRESSED THE VIEW THAT THE BRITISH SEEMED TO BE THE MOST NEGATIVE. HE AGREED THAT PART OF THIS OPPOSITION GREW OUT OF THEIR BASIC MIDDLE EASTERN POLICY, BUT THERE MIGHT ALSO BE OTHER FACTORS SUCH AS THEIR CONFIDENCE IN NORTH SEA PROSPECTS, AND THE DESIRE TO GET SUPPORT FOR AN EC REGIONAL POLICY. AS FAR AS THE FRENCH ARE CONCERNED, SIMONET THOUGHT THEY WOULD BE MORE FLEXIBLE THAN THE BRITISH BECAUSE THEY WOULD BE COMING TO THE SUMMIT MEETING AS DEMANDEURS IN THE FIELD OF URANIUM ENRICHMENT. HE BELIEVED THAT THE DUTCH AND GERMANS WOULD PREFER TO SOLVE THE ENERGY PROBLEM ON A COMMUNITY BASIS AND NOT RESORT TO A LATTER-DAY MARSHALL PLAN. THUS, WHILE POINTING OUT THE DIFFICULTIES OF SEEKING AGREEMENT AT THE SUMMIT WITHOUT PRIOR PREPARATIONS AND WITHOUT THE PRESENCE OF SUPPORTING STAFF, SIMONET WAS NOT TOTALLY PESSIMISTIC ABOUT THE CHANCES FOR A SATISFACTORY OUTCOME. AS FAR AS THE US OFFER TO HELP THE DUTCH WAS CONCERNED, HE ASSUMED THAT IT WAS IN THE US AS WELL AS THE EUROPEAN INTEREST TO HAVE THE DUTCH DIFFICULTIES RESOLVED IN THE CONTEXT OF A COMMON COMMUNITY ENERGY POLICY. GREENWALD
CONFIDENTIAL
CONFIDENTIAL

PAGE 04 EC BRU 07183 111311Z

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, EMBARGOES, DIPLOMATIC DISCUSSIONS, ECONOMIC CONSUMPTION, ECONOMIC PROGRAMS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU07183
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731232/aaaaaxrz.tel
Line Count: 151
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Sep-2001 by rowellE0>; APPROVED <01-Oct-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MEETING WITH EC COMMISSION VICE PRESIDENT SIMONET ON THE OIL SITUATION
TAGS: ENRG, XF, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005